PACKAGING®

THE CAHNERS MAGAZINE FOR DECISION-MAKERS/JULY 1991

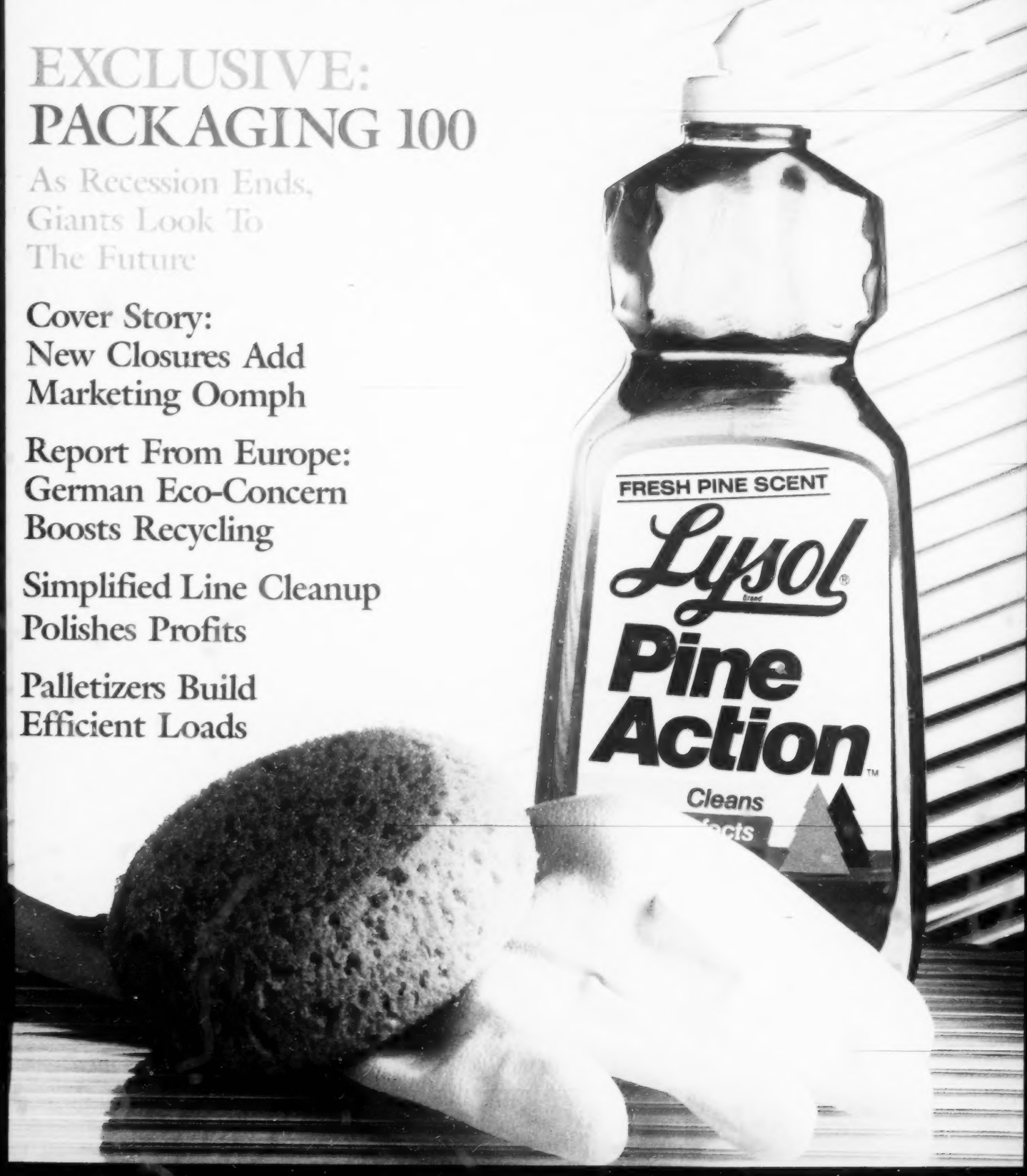
EXCLUSIVE:
PACKAGING 100
As Recession Ends, Giants Look To The Future

Cover Story:
New Closures Add Marketing Oomph

Report From Europe:
German Eco-Concern Boosts Recycling

Simplified Line Cleanup Polishes Profits

Palletizers Build Efficient Loads

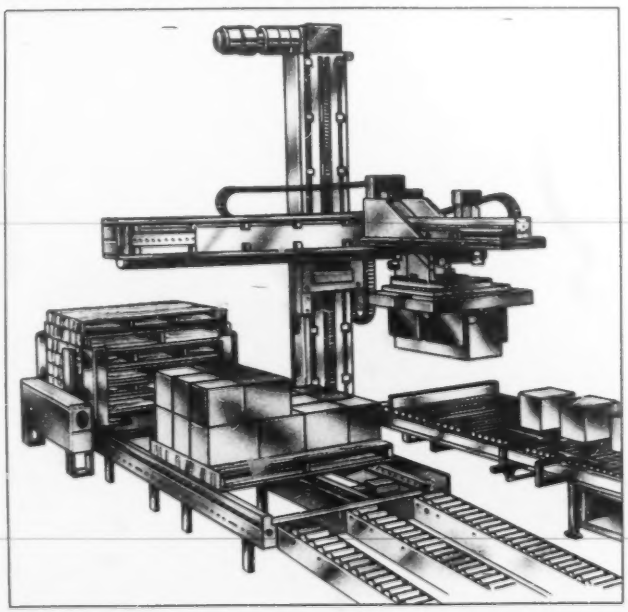


PACKAGING

A CAHNERS PUBLICATION
VOLUME 36 NUMBER 8

The Fifth Annual PACKAGING 100 shows the industry's top players are looking to the future. Page **26**

Palletizing equipment can be programmed to load cases in different stack patterns. Page **45**



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No more packaging excess—cosmetics leaders get a marketing makeover

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Nearly 700 exhibitors and the second round of EnviPack and QualityPack conferences await visitors to Anaheim

Liquid fillers go flexible
Today's fillers must handle aseptics, different viscosities, precise weights and added functions—and still keep up

New shapes propel folding cartons
Function and style, as well as superb graphics, move paperboard cartons into the marketing forefront

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THE FIFTH ANNUAL PACKAGING 100

Expenditures total $29.3 billion. How does your company rank with the leaders?

By Mark Spaulding Senior Editor

Getting back to basics, a moderating of merger activity and environmental concern have all made their impact on the packaging industry in the past few years. These trends come to the fore in an analysis of the 1991 PACKAGING 100.

Our exclusive study of the 100 largest domestic consumers of packaging materials and containers shows these giants spending more than $29.3 billion in 1990. This amounts to about 40.5% of the total U.S. packaging industry's output for last year.

Though impressive, the total represents a slowdown in growth of expenditures by the PACKAGING 100 compared with that of the late 1980s. Between 1987 and 1988, the leading companies spent 24% more. In 1990, expenditures were up only 10.3% over 1989.

The condition of the overall economy is having its effect. Packagers are getting back to their roots, divesting unrelated businesses and acquiring companies in their traditional industries. Such is the case with Whitman Corp.'s divestiture of Pet Inc.

Are mega-mergers dead?

This trend is evident in the highly packaging-intensive field of foods and beverages. The year's largest deal was the $1.3 billion purchase of Beatrice Co. by ConAgra. While this a significant takeover, the era of $25-billion-dollar mergers appears over, having been replaced by quiet buyouts of smaller, kindred packagers. Overall, the number of food-industry mergers last year was about one-third below the 1986-1989 average.

Cosmetics and personal-care packagers are not immune to the merge-back-to-basics trend, either. The biggest example is Procter & Gamble with its Noxell and Revlon acquisitions. Smaller but also significant is Dial Corp.'s purchase of Breck hair-care products from American Cyanamid.

Source-reduction techniques are beginning to make an impression. A long-term shift to more bulk packaging for chemicals and other industrial products may reduce consumption for several of the PACKAGING 100. Despite stronger market positions, many industrial packagers saw little or no growth in their 1990 expenditures and predict the same this year.

The purchase of reduced and recycled packaging should have its greatest test among the chemical and allied-products packagers. Concentrated cleaners in smaller boxes and liquids in recycled-plastic jugs have a foothold and may dominate the market. What long-term cost effect these containers will have remains to be seen.

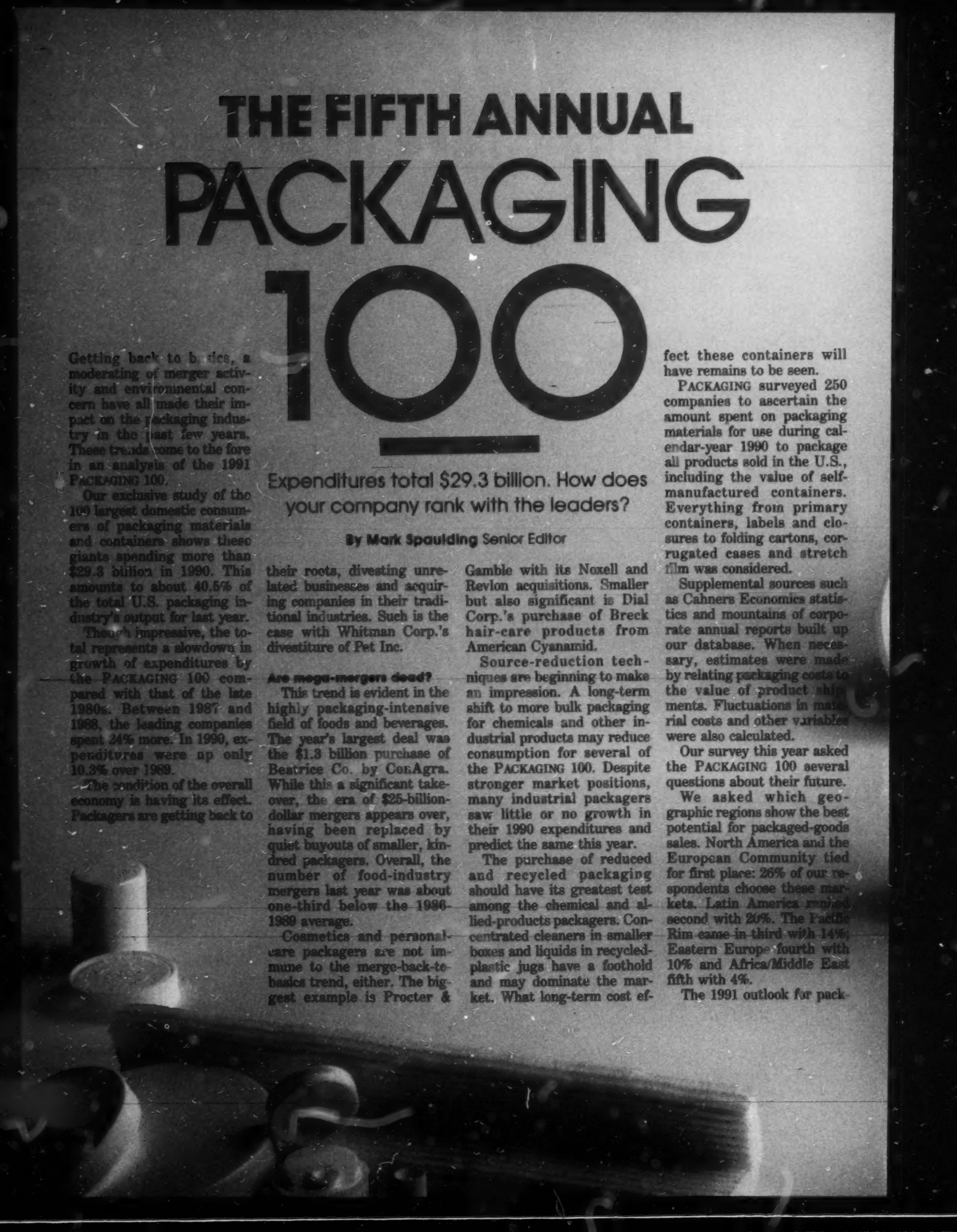
PACKAGING surveyed 250 companies to ascertain the amount spent on packaging materials for use during calendar-year 1990 to package all products sold in the U.S., including the value of self-manufactured containers. Everything from primary containers, labels and closures to folding cartons, corrugated cases and stretch film was considered.

Supplemental sources such as Cahners Economics statistics and mountains of corporate annual reports built up our database. When necessary, estimates were made by relating packaging costs to the value of product shipments. Fluctuations in material costs and other variables were also calculated.

Our survey this year asked the PACKAGING 100 several questions about their future.

We asked which geographic regions show the best potential for packaged-goods sales. North America and the European Community tied for first place: 26% of our respondents choose these markets. Latin America ranked second with 20%. The Pacific Rim came in third with 14%; Eastern Europe fourth with 10% and Africa/Middle East fifth with 4%.

The 1991 outlook for pack-



Top 100 bought 40% of total packaging industry's consumption in 1990

aging-related employment at these companies is mixed: 10% reported a good job market, 52% said fair and 38% said poor. One giant indicated that reorganization has meant a "lean and mean" staff for the foreseeable future. Another saw high demand for but low availability of employees with the kind of experience he said he needed.

Asked to rank their company on use of packaging technology, about half saw themselves as somewhat innovative. Only 5% said they were extremely innovative. Among the factors called obstacles to innovation were short-sighted upper management and environmental and regulatory restrictions.

Competitiveness of the American packaging field compared with that of the rest of the world was seen in a better light. Almost 68% of respondents said they thought the U.S. was extremely or very competitive. About 11% said American packaging was "not at all" competitive. One packager said he saw domestic prices and quality holding their own but found innovative design in the U.S. had "fallen well behind Europe and Japan."

More than $66.1 million in packaging-related capital expenditures were reported. When asked what constituted an acceptable payback period for investment in packaging equipment, 63% said more than one year while 37% said nine to 12 months.

Finally, we asked packagers to weigh the importance of five factors when buying packaging materials. The results show extreme preference for high quality: 75% said this was the most important factor in their decision-making. Low price and a good supplier reputation tied for second; knowledgeable service ranked third.

The 1991 PACKAGING *100 are listed on the next two pages. New data include percentage changes compared to 1989 expenditures and SIC industry codes. For an explanation of the codes, see the table, left.* ■

MARK SPAULDING

"In the process of researching our annual Giants survey, I analyzed a literally 5-foot-high stack of annual reports for this article. My favorite this year has to be PepsiCo. Throughout the book is Reid Asato, a sumo wrestler who illustrates Pepsi's story of 'big brand' power."

PLEASE RATE THIS ARTICLE

How would you rate this article? To reply, circle the appropriate number on the reader service card:

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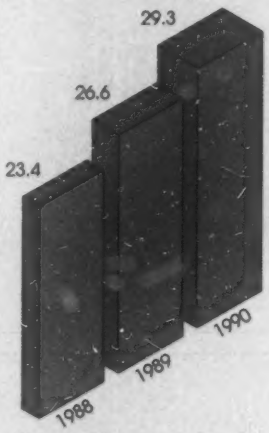
Above Average	362
Average	363
Below Average	364

TOTAL CONSUMPTION BY PACKAGING 100

($ billions)



Expenditures climb to nearly $30 billion for the 100 largest consumers of materials and containers.

SIC INDUSTRY CODES:

20 Food/Kindred Products
21 Tobacco
22 Textile Mill Products
23 Apparel
24 Lumber/Wood Products
25 Furniture and Fixtures
26 Paper/Allied Products
28 Chemical Products
29 Petroleum
30 Rubber/Misc. Products
31 Leather
32 Stone, Clay, Glass
33 Primary Metal Industries
34 Fabricated Metals
35 Industrial Machinery
36 Electrical & Electronics
37 Transportation
38 Instruments
39 Miscellaneous

MERGERS SHIFT BALANCE OF POWER AMONG FOOD GIANTS

1. Philip Morris: With expenditures of $1.5 billion, PM leads the pack. Kraft General Foods volume up 6.5%. KGF to launch 300 new products this year. Expect 7% overall packaging growth.

2. ConAgra: Moves to No. 2 after swallowing Beatrice, Hunt-Wesson and Swift-Eckrich in last fall's takeover. Expenditures up almost 82%. Should go higher with further acquisitions on tap.

3. Nestle USA: Consolidates Carnation unit. Mergers Curtiss Brands bought from RJR Nabisco. Reorganizes 15 business units into six. Sells Beech Nut baby foods. Packaging costs decline 0.5%.

4. RJR Nabisco: Consumption nears $500 million. Nabisco Brands, Planters Lifesavers sales up only 1%. New bakery products to restore volume lost through recent divestitures.

5. Unilever US: Food business grouped into one division. Expenditures top $400 million. Strong volume growth for margarines, edible oils and cheeses. Frozen food and ice cream sales stall.

CONSUMER THIRSTS PUSH BEVERAGE SPENDING HIGHER

1. Anheuser-Busch: On top again with about $2 billion in consumption. Long-term outlook for greater package self-manufacturing capacity. Share of total brewing industry grows to 43.7%.

2. PepsiCo: Brands account for 33% of U.S. soft-drink consumption. Double-digit volume growth for Diet Pepsi. Acquisition of four bottlers will build on last year's $1.32 billion in expenditures.

3. Coca-Cola Co.: Domestic market share hits 41%. Launches caffeine-free Coke Classic. To emphasize spouted carton, large pack sizes for Minute Maid to achieve market leadership.

4. Coca-Cola Enterprises: Replaces all corrugated for 2-liter bottles with reusable plastic trays. Tests just-in-time production. Sells Mid-America Bottling but buys four other regional bottlers.

5. The Seagram Co.: Tropicana launches new product or major package change every 90 days. Dominates wine coolers with 42% share. Will expand markets for Seagram Mixers.

CHEMICAL PACKAGERS TRY OUT RECYCLED, REDUCED CONTAINERS

1. Procter & Gamble: What else is new? Consumption of $720 million to grow with cosmetic acquisitions, despite material reductions with recycled jugs, concentrated detergents.

2. Eastman Kodak Co.: Sterling Drug sells several No. 1 products to hospitals. Chemical div. posts 2% sales gain. Lehn & Fink Products launches new packaging for Lysol cleaners.

3. Unilever US: Faberge Power Stick widens personal-care line. Wisk Power Scoop moves into more regional markets; spending to grow with new facilities for concentrated powders.

4. American Home Products: Expects 4.5% material-cost increase for 1991. Whitehall, A.H. Robins merge packaging, distribution systems. Divests Boyle-Midway household-products business.

5. S.C. Johnson & Son: Replaces PVC bottles for Future polish with recycled-PET. New product successes include Fisher-Price kids' shampoos and Glade Plug-Ins electric air fresheners.

THE PACKAGING 100

1991 Rank	Rank last year	Company & Headquarters	Packaging Expenditures ($ Millions)	% Change from last year	Industry by SIC
1	1	**Philip Morris Cos., Inc.**, New York, NY	$2,605.00	1.42%	20 21
2	2	**Anheuser-Busch Companies, Inc.**, St. Louis, MO	2,435.00	5.87	20
3	3	**PepsiCo, Inc.**, Purchase, NY	1,577.00	7.95	20
4	4	**Procter & Gamble Co.**, Cincinnati, OH	1,557.00	12.38	20 26 28
5	5	**Coca-Cola Co.**, Atlanta, GA	1,258.00	8.29	20
6	6	**Coca-Cola Enterprises, Inc.**, Atlanta, GA	1,128.00	3.78	20
7	7	**RJR Nabisco, Inc.**, New York, NY	987.00	8.60	20 21
8	8	**Seagram Co. Ltd.**, Montreal, Quebec	731.00	2.54	20
9	19	**ConAgra, Inc.**, Omaha, NE	635.00	81.43	20
10	10	**Unilever US Inc.**, New York, NY	630.00	21.20	20 28
11	9	**Sara Lee Corp.**, Chicago, IL	585.00	1.74	20 22 23 28
12	14	**Nestle USA, Inc.**, Glendale, CA	565.00	8.11	20 28
13	11	**Adolph Coors Co.**, Golden, CO	531.30	8.50	20 32 33 34
14	17	**Eastman Kodak**, Rochester, NY	424.00	11.58	28 29 35 36 38
15	13	**Brown-Forman Inc.**, Louisville, KY	421.00	1.32	20 31 32 39
16	16	**Campbell Soup Co.**, Camden, NJ	408.00	7.09	20
17	15	**Borden**, New York, NY	402.00	.50	20 28
18	18	**Stroh Brewing Co.**, Detroit, MI	395.00	8.52	20
19	23	**American Home Products Corp.**, New York, NY	380.00	19.12	20 28 38
20	24	**General Mills**, Minneapolis, MN	356.00	13.02	20
21	26	**Grand Metropolitan plc**, Minneapolis, MN	331.00	11.99	20
22	28	**Cadbury Schweppes Inc.**, Stamford, CT	323.00	15.36	20
23	27	**Clorox Co.**, Oakland, CA	322.00	9.15	20 28 34
24	22	**G. Heileman Brewing Co.**, La Crosse, WI	300.00	−7.69	20
25	—	**Del Monte USA**, San Francisco, CA	294.00	5.00	20
26	29	**Revlon Group Inc.**, New York, NY	280.00	5.09	28
27	12	**Whitman Corporation**, Chicago, IL	278.00	−35.14	20 34 36 37
28	30	**H.J. Heinz Co.**, Pittsburgh, PA	261.00	8.75	20
29	32	**Ocean Spray Cranberries**, Plymouth, MA	248.00	7.54	20
30	31	**Quaker Oats Co.**, Chicago, IL	239.00	.12	20 39
31	33	**S.C. Johnson & Son**, Racine, WI	226.00	4.63	28
32	34	**Kellogg Co.**, Battle Creek, MI	222.00	5.21	20
33	34	**Johnson & Johnson**, New Brunswick, NJ	212.00	10.99	5 28 30 38
34	36	**Dean Foods Co.**, Franklin Park, IL	195.00	8.33	20
35	35	**Du Pont de Nemours & Co.**, Wilmington, DE	194.90	5.35	22 28 29 30 38
36	—	**Sherwin-Williams**, Cleveland, OH	189.00	7.39	28
37	—	**Allied-Signal Inc.**, Morristown, NJ	188.00	.65	30 34 35 36 37
38	46	**Colgate-Palmolive Co.**, New York, NY	187.00	3.89	20 28 32
39	43	**Hershey Foods Corp.**, Hershey, PA	180.50	12.13	20
40	37	**Dow Chemical USA**, Midland, MI	180.00	0.00	28 29 30
41	42	**Warner-Lambert Co.**, Morris Plains, NJ	178.50	10.49	20 28
42	38	**Geo. A. Hormel & Co.**, Austin, MN	175.17	5.38	20
43	41	**Bristol-Myers Squibb**, New York, NY	175.00	8.21	20 28 36 38
44	54	**Tyson Foods Inc.**, Springdale, AR	173.91	44.32	20
45	39	**American Cyanamid**, Wayne, NJ	172.50	5.76	20 28 38
46	40	**CPC International**, Englewood Cliffs, NJ	169.50	5.94	20
47	45	**Ralston-Purina Co.**, St. Louis, MO	163.00	5.54	20 36
48	50	**Dr. Pepper/Seven-Up Co.**, Dallas, TX	161.00	21.35	20
49	47	**Castle & Cooke Inc.**, Los Angeles, CA	160.00	10.13	20
50	20	**Avon Products Inc.**, New York, NY	150.00	−55.64	28

See page 28 for industry code definitions.

THE PACKAGING 100

1991 Rank	Rank last year	Company & Headquarters	Packaging Expenditures ($ Millions)	% Change from last year	Industry by SIC
51	44	**General Motors Corp.**, Detroit, MI	$149.00	−6.88%	37
52	49	**Dial Corp.**, Phoenix, AZ	142.00	3.65	20 28
53	—	**Pet, Inc.**, St. Louis, MO	136.00	4.82	20
54	51	**Mars, Inc.**, Hackettstown, NJ	135.00	3.85	20
55	55	**Iowa Beef Processors, Inc.**, Dakota City, NE	134.50	11.90	20
56	52	**Keebler Co.**, Elmhurst, IL	134.00	3.13	20
57	53	**3M Co.**, St. Paul, MN	133.00	2.69	26 28 38
58	59	**Exxon Corp.**, Irving, TX	121.00	13.58	28 29
59	58	**International Business Machines**, Armonk, NY	120.50	6.02	35
60	56	**Ford Motor Co.**, Dearborn, MI	120.00	.10	37
61	—	**Bayer USA Inc.**, Pittsburgh, PA	109.50	5.29	20 28 30 38
62	60	**American Brands, Inc.**, Old Greenwich, CT	108.00	3.35	20 21 34 39
63	—	**McCormick & Co. Inc.**, Hunt Valley, MD	100.00	5.26	20 30
64	64	**Schering-Plough Corp.**, Madison, NJ	93.00	8.14	28
65	62	**PPG Industries Inc.**, Pittsburgh, PA	92.00	.55	28 32
66	—	**Chevron Corp.**, San Francisco, CA	91.00	14.65	28 29
67	65	**Mobil Corp.**, Fairfax, VA	90.50	10.37	28 29
68	63	**General Electric Co.**, Fairfield, CT	90.00	0.00	34 35 36 37
69	—	**Motorola, Inc.**, Schaumburg, IL	88.00	8.64	35 36 37
70	—	**Gold Kist, Inc.**, Atlanta, GA	86.50	−1.84	20 28
71	68	**Chiquita Brands International**, Cincinnati, OH	85.50	7.72	20
72	61	**Pfizer, Inc.**, New York, NY	85.00	1.19	28
73	—	**Cosmair**, New York, NY	84.00	5.33	28
74	66	**Tenneco Inc.**, Houston, TX	83.00	2.09	28 37
75	69	**Sunkist Growers, Inc.**, Sherman Oaks, CA	82.00	10.07	20
76	—	**Bausch & Lomb**, Rochester, NY	76.50	9.41	28 38
77	74	**Morton International**, Chicago, IL	76.00	17.83	20 28 30 37
78	—	**Reckitt & Colman plc**, London, England	75.50	16.15	20 28
79	67	**Texaco, Inc.**, White Plains, NY	75.00	−6.37	28 29
80	82	**The Black & Decker Corp.**, Towson, MD	73.00	35.19	30 34 35 36
81	77	**Merck & Co.**, Rahway, NJ	70.50	15.57	28 38
82	70	**Land O'Lakes, Inc.**, Arden Hills, MN	70.00	0.00	20 28
83	73	**Gerber Products Co.**, Fremont, MI	69.50	6.92	20 22 23 31 39
84	72	**Monsanto Co.**, St. Louis, MO	69.00	1.47	20 28 29 30 36
85	75	**Baxter Healthcare Corp.**, Deerfield, IL	68.00	10.46	22 28 38
86	79	**Shell Oil Co.**, Houston, TX	62.00	3.33	28 29
87	76	**Chrysler Corp.**, Highland Park, MI	61.50	−.10	37
88	78	**Universal Foods Corp.**, Milwaukee, WI	60.50	.33	20
89	80	**SmithKline Beecham plc**, Philadelphia, PA	60.00	10.29	28
90	83	**Alberto-Culver Co.**, Melrose Park, IL	58.50	10.84	20 28
91	84	**Amoco Corp.**, Chicago, IL	58.00	16.00	29
92	89	**Olin Corp.**, Stamford, CT	55.00	16.12	28 33 34 37 39
93	81	**The Stanley Works**, New Britain, CT	54.50	.46	30 32 34 35 36
94	88	**Wm. Wrigley Jr. Co.**, Chicago, IL	52.00	7.18	20
95	—	**Levi Strauss & Co.**, San Francisco, CA	51.00	4.19	22 23
96	86	**Whirlpool Corp.**, Benton Harbor, MI	50.25	1.01	36
97	85	**Riceland Foods, Inc.**, Stuttgart, AK	50.00	0.00	20
98	91	**Abbott Laboratories**, Abbott Park, IL	49.93	13.84	20 28 38
99	98	**Corning Inc.**, Corning, NY	47.80	20.09	32 37 38
100	90	**Interstate Brands Corp.**, Kansas City, MO	46.50	2.61	20

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THE CAHNERS MAGAZINE FOR DECISION-MAKERS/AUGUST 1991

C1850-1

HEY, LET'S DO WESTPACK

Preview Offers Tips On Attending California Show

Cosmetics Face Up To Source Reduction

Liquid Filling Goes Flexible

Function And Style Shape Cartons

PACKAGING

A CAHNERS PUBLICATION
VOLUME 36 NUMBER 9

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PACKAGING's 1991 Innovator Awards

The winners of our sixth annual competition show that packaging innovation is alive and well

New resins push food-barrier boundaries

Packagers want clarity, long shelf life and no off-tastes. Suppliers are helping them realize those dreams

Designing a line to fit the package

Explore all your options up front to assure the highest effiency down the line

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COSMETICS MARKETERS FIND LESS IS MORE

In marketing makeover, category leaders bet big on down-to-earth packages for simpler products

Melissa Larson
Senior Editor

Throughout the 1980s, the cosmetics industry successfully used glamorous custom packaging to lend cachet to its products. From counters at the most exclusive department stores to self-service racks at the supermarket, makeup packages were flashy and extravagant—and women loved them.

Now, leading marketers such as Estée Lauder and Revlon are scaling back and simplifying their packaging—especially as they introduce new, more-natural makeup lines. In doing so, they're saving money and appealing to a whole new generation of makeup consumers.

Shampoo refills

Today's shoppers have sent a clear message about cosmetics packaging. Nearly 80% of respondents to PACKAGING's exclusive 1991 Consumer Survey said they felt that some products were overpackaged; of those, 50% said cosmetics used too much packaging.

They want less packaging to pay for and throw away, and cosmetics and toiletries marketers are, more or less happily, obliging them. Hair salons are offering to refill customers' empty bottles of shampoo and conditioner at substantial savings; supermarket toiletries are doffing their outer cartons (see box).

The trend in mass-market cosmetics is toward natural ingredients and away from fragrances, animal testing and lots of packaging.

Even the glitziest department-store makeup lines are headed for a facelift. Packagers of skin-care, hair-care and cosmetics brands appear to be taking a fresh look at their packaging.

They have to. The cosmetics industry is in the doldrums, according to marketing consultant Suzanne Grayson. "Only half of all women over 18 wear foundation makeup," she says. "The industry has done a terrible job of introducing new customers to cosmetics, and the pie just keeps getting smaller."

Now marketers see a way to trim their costs and at the same time appeal to a growing consumer trend.

Pulling this off, however, means more than just eliminating certain package components. It requires significant attention to details—and

more than a little design imagination.

Return those empties

Estée Lauder's just-introduced Origins Natural Resources skin-care and makeup line has made news. Not only are the products non-animal-tested and formulated with an emphasis on natural ingredients, but the packaging is remarkable. Spare, rounded containers and closures are displayed cartonless in most cases.

When a folding carton is used, it's made of recycled paper and says so. Glass bottles are wrapped in plain brown corrugated by the clerk at purchase. Completing the natural feel of the line is the logotype and tree symbol used on each package.

But most interesting is Lauder's policy of encouraging customers to return empty Origins containers to the place of purchase. While the containers can't be refilled at the counter, they are recycled by the company. And customers are welcome to purchase another filled container while they're there.

The idea didn't originate with Origins. Retailer The Body Shop implemented container returns for its line of makeup and skin-care products a few years ago, and reports its own worldwide rate of returns to be about 10%. However, Origins appears to be the first attempt by a major old-guard cosmetic company to encourage direct container returns.

And Lauder isn't stopping there: the company has already opened one free-standing Origins boutique in Boston. If this line is highly successful, Lauder may break out of the department-store pack and compete directly with cosmetics specialty stores like The Body Shop.

Across the department-

Lauder goes natural with new Origins Natural Resources. Spare packaging, recycled paperboard cartons, and reminders to return the empty containers to the Origins counter are garnering publicity for this skin-care and makeup line.

store aisle from Origins, Charles of the Ritz has introduced Ritz Express, a makeup and treatment line that features less packaging, fewer products—and lower prices.

According to Grayson, it's easier to introduce a whole new line featuring less packaging than it is to suddenly remove packaging that the loyal customer is used to.

"The cosmetics consumer, depending on her socio-economic level, sees the package as part of the product she's paying for," says Grayson.

Still, the savings are a powerful lure. Some cosmetics marketers pay up to 10 cents apiece for top-quality cartons. If, for example, the cost of goods on a $15 item is $9.40, reducing the packaging cost by 10 cents on every item subtracts more than 1% from that cost of goods. For a high-volume line, that saves big money.

To card or not to card?

Selling cosmetics in the supermarket and chain drug environment is even more complicated, because the marketer often has little control over how the merchandise is displayed.

Each supermarket or drug chain has its own way of displaying cosmetics: some require all items to be carded and racked to reduce pilferage; others have their own displays for uncarded items; still others install the marketer's own displays.

This lack of uniformity bothers cosmetic marketers because it requires them to inventory every item in both carded and uncarded form. Getting rid of the card in the name of saving money or source reduction would mean saying goodbye to some major chain customers.

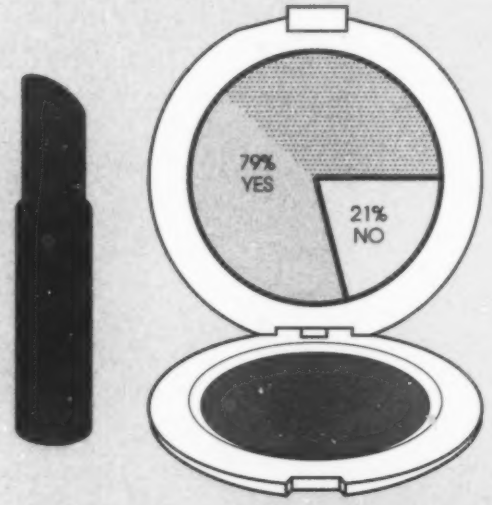
After all is said and done, selling cosmetics is still about image and lifestyle. Those cosmetics retailers who best anticipate shoppers' desire for value, convenience and performance will prosper. ■

The million-dollar makeup question: Will women return the empties?

PRETTY, BUT OVERPACKAGED

Question: Do you think some products use too much packaging? If so, which products?

- Yes, some products are overpackaged
- Cosmetics are overpackaged (50% of those answering Yes to first question)



Nearly 80% of respondents to PACKAGING's Consumer Survey stated that they feel some products use too much packaging. When asked to indicate whether household appliances, cosmetics, food and pharmaceuticals were overpackaged, 50% of themmade cosmetics one of their choices.

Source: 1991 PACKAGING Consumer Survey

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MELISSA LARSON

"Cosmetics marketers are closely watching the introduction of Origins. They want to know if environmental consumerism is here to stay—or just a fad. The success or failure of this new line will help many of them decide whether or not to jump on the source-reduction bandwagon."

TOILETRIES GO CARTONLESS FOR THE '90s

Shoppers who spot Procter & Gamble field employees removing Secret and Sure brand deodorant containers from their outer cartons may be among the first to witness a revolution. The deodorant containers' shadowbox is history—as passé as junk bonds and colored pasta.

Slowly but surely, deodorants are going cartonless. Toiletries giant P&G is in the vanguard as usual, but within months a wholesale conversion will be well underway. And deodorants aren't the only products to shed their cartons. Jhirmack (Playtex) and L'Oreal (Cosmair) hair-care brands are trying the no-carton look for some products, and other hair-care products in tubes and pump containers will probably follow suit in the months ahead.

Although environmental appeal to consumers is a prime consideration behind the change, stripping excess packaging where possible also saves packagers and retailers money.

Lower handling costs that result from reducing outer packaging can sharply cut direct product costs—up to 20% according to P&G's figures for Secret and Sure. That makes retailers happy, as does increased facings. Cartonless containers simply take up less space on the shelf.

The conversion isn't effortless. P&G spent years perfecting a deodorant container that could stand on its own without the paperboard prop. Durability throughout the distribution chain—especially for plastic containers—can be a problem. Also, the packager has less space for instructions and selling language.

The best reward for marketers' efforts in this area, however, is increased sales. P&G says sales volume of the cartonless stock increased 4% during control-store testing—without benefit of advertising or point-of-purchase material to flag the change. That bodes well for the future of these and other toiletries products that have kicked the carton habit.

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